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Central Intelligence Agency

Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

5 December 1983

Central African Republic: On a Tightrope [redacted]

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Summary

President Andre Kolingba is confronted with an array of economic and political problems so severe they could bring down his moderate, pro-Western government early next year, a development that could enable Libya to gain a new foothold in the Central African Republic. France, the former colonial power and the country's chief patron, faces the unwelcome alternative of either stepping up support for Kolingba's inept regime, engineering its replacement, or letting the government fall at the risk of a less friendly regime taking over. Kolingba's prospects depend largely on his ability to retain crucial financial and military backing from France, which in turn is tied to his willingness to name a more competent cabinet and to come to terms with the IMF for a new standby agreement. [redacted]

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Thus far, Paris sees no leadership alternative to Kolingba and is seeking a greater US role in bailing out the country.

This memorandum was prepared by [redacted] West Africa Branch, Africa Division, Office of African and Latin American Analysis. It has been coordinated with the Directorate of Operations. Information as of 25 November 1983 has been used in preparation of this paper. Questions and comments are welcome and may be directed to the Chief, Africa Division [redacted]

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The French see the CAR --which borders Chad and Sudan, both active targets of Libyan adventurism-- as a buffer against further Libyan meddling in the region. France uses the CAR as a staging base for military operations in Chad. Some 1,300 French troops stationed in the CAR help reassure other moderate states in the region --particularly Cameroon and mineral-rich Gabon and Zaire where Paris has significant commercial interests-- that Paris will honor its security obligations.

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In our view, Kolingba will probably muddle through the current financial and political crisis but we believe his longer term prospects are guarded. Kolingba probably will be forced to undertake sufficient economic and political reforms to ensure crucial French and IMF backing, lest Paris become convinced that the cost of propping up the regime is too high and finally decide to engineer its replacement. But Kolingba's actions will serve only to stave off rather than to resolve underlying problems. Kolingba's politically risky reforms will compel the regime to rely increasingly on Paris to guarantee its security. In our view, Libya will try to exploit the fragility of the government by continuing --and perhaps stepping up-- support for coup plotting among disgruntled members of the regime. We believe that France would intervene on Kolingba's behalf, however, if Tripoli moved directly to oust the regime.

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Introduction

Kolingba, who assumed power two years ago in a bloodless military coup, is under mounting pressure to stem the CAR's deepening financial crisis and to clean up his corrupt and increasingly factionalized government. Kolingba's reliance on tribal nepotism and favoritism to ensure political support has spurred growing dissension within his regime and resentment among the country's approximately 80 ethnic groups. Besides domestic economic and internal political problems, Kolingba has to contend with Libyan attempts to undermine the government and growing French displeasure with his administration.

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S E C R E T

Legacy of Neglect

Kolingba inherited a bitter legacy of economic and political deterioration left in the wake of Emperor Bokassa's bloody 13-year rule, during which political division, massive corruption, and economic mismanagement took firm root. Steadily declining diamond and cotton production, rising unemployment, and falling government revenues left the country in financial straits. Bokassa relied on French aid --about \$30 million a year-- to cover a massive budget deficit which had reached \$20 million by the end of his reign in 1979. []

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President David Dacko's feckless attempt at reconstruction followed the French-engineered fall of Bokassa's repressive regime. In September 1979, some 300 French troops installed Dacko --himself ousted in a coup in 1966 led by Bokassa-- after Paris failed to convince Bokassa to resign. Dacko's weak civilian regime soon found itself in a divisive political standoff with newly-formed opposition political parties that began to demand a greater role in government. Presidential elections in 1981, in which Dacko was accused of fraud after narrowly defeating the major opposition party leader, led to rioting by the latter's followers in the capital and calls for the President's resignation. Dacko's poor health and gradual loss of popular support left him unable to cope with the country's mounting economic problems, and he soon lost the backing of the Mitterrand government. []

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Army Chief of Staff Kolingba assumed power in September 1981 --with the apparent approval of the French and Dacko himself-- declaring his intention to restore order. He quickly suspended the constitution, banned political party activity, and named an all military Cabinet. Kolingba also announced an austerity and anti-corruption program, while searching for new sources of foreign economic assistance to supplement French aid in an effort to revitalize the economy. []

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The Kolingba Regime's Growing Weaknesses

Although the military government succeeded initially in restoring surface calm to the country, tribal rivalries, demands for a return to civilian rule, and resistance to economic belt-tightening measures soon flared. The initial wait-and-see attitude of Central Africans gave way to accusations of tribal favoritism and autocratic rule by banned opposition parties and government counter-charges of disloyalty. An atmosphere of mutual distrust aggravated political tensions and heightened unhappiness over the regime's austerity and anti-corruption campaigns. []

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Tribalism. Kolingba initially sought to form a tribally balanced government, but quickly gave in to pressure from his fellow southern tribesmen to expand their role in the regime. Although southerners form

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only about 25 percent of the population, they have dominated the country's politics since independence in 1960. Out of some 24 ministers and high commissioners now in the government, 17 are southerners and more than half are from Kolingba's own minority tribe, the Yakoma. According to the US Embassy, Kolingba has regularly selected his closest advisers from and awarded the majority of military promotions to his fellow Yakomas. [REDACTED]

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Southern political dominance has inspired opposition among tribes of the northern savannah region, which make up about 75 percent of the population. [REDACTED]

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Tribal opposition to the Kolingba regime has also come from members of the southern M'Baka tribe, to which former leaders Bokassa and Dacko belong. The US Embassy reports that Kolingba fears that Bokassa, now in exile in Ivory Coast, is recruiting M'Bakas to restore him to power. [REDACTED]

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Kolingba is even being faced with squabbling between two subgroups of his Yakoma tribe. He has been accused of favoring members of his own subtribe, many of whom he has retained despite their incompetence and corruption. [REDACTED]

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Economic Deterioration. The Kolingba regime's political problems are compounded by a serious financial crisis. The government is technically bankrupt due to falling export earnings, a growing budget deficit, and rising debt service payments. A five-month drought plagued the agricultural sector this year, which employs almost 85 percent of the 2.5 million population and represents 37 percent of domestic output. The drought damaged key export crops of coffee, tobacco, timber, and cotton, reduced food production, cut off river transportation to key coastal trading centers, and crippled the small industrial sector by shortages of hydroelectrical power. [REDACTED]

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Meanwhile, the country's access to crucial international assistance, which in 1982 totalled over \$110 million, is in jeopardy. Last month the IMF suspended the CAR's \$20 million standby program for failure to meet

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Fund guidelines to curb government spending, and the regime could find itself unable to pay government salaries by the end of the year. The Fund plans to send a team to Bangui in mid-January to negotiate a new standby agreement if it is satisfied that Kolingba will undertake tough austerity measures. The Fund insists that the regime write off arrearages in civil service salaries as forced contributions to the government, implement fiscal reforms in 1984 that were dropped this year in the face of opposition, and levy a 15 percent tax on civil service salaries. [REDACTED]

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US Embassy officials believe these harsh measures could provoke serious domestic unrest that Kolingba might be hard pressed to contain. They point out that government salaries have not increased since 1980, while the annual rise in the cost of living has been on the order of 15 percent. Civil service salaries no longer cover the cost of food for the typical family and workers have had to resort to second jobs and corruption to make ends meet. A salary reduction announced last February prompted calls for a general strike that was narrowly averted by a government crackdown and the arrest of several labor leaders. [REDACTED]

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Weak Leadership. Despite the need for prompt, decisive government action on economic and political problems, Kolingba remains cautious and deliberate, even when making minor decisions. US Embassy officials describe his leadership style as strictly month-to-month crisis management. They report that Kolingba has failed to rally behind him the majority of Central Africans, who generally view his rule as a transition to a more dynamic government. Moreover, Embassy reports point out that Kolingba suffers from recurrent bouts of depression and frequently goes into seclusion to avoid facing important and difficult decisions. [REDACTED]

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Kolingba's hesitation to act has aggravated his regime's troubles. His tolerance of incompetence and corruption among fellow military officers has eroded the government's ability to tackle the country's serious economic problems. US Embassy reporting indicates that he is dissatisfied with the performance of several Cabinet ministers, but has been reluctant to remove them for fear of inspiring wider disloyalty. [REDACTED]

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Libyan Meddling

According to US Embassy reporting, Tripoli persists in its attempts to destabilize the CAR. In our view, Libyan leader Qadhafi hopes to pressure the Kolingba regime or a successor government into allowing Libya to use the CAR as a base to encourage serious insurgency in southern Chad. The US Embassy reports that politically aware Central Africans are concerned that opposition groups made up predominantly of northern

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tribesmen (see annex) are developing stronger links to Libya through their contact with Chadian dissidents supported by Tripoli. The border area of northern CAR and southern Chad is inhabited by closely related tribes who hold little allegiance to either national government and have been long-standing sources of opposition to both.

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Kolingba has tried to prevent the more than 1,000 Chadian exiles in the CAR from working against Chadian President Habre and has supported the legitimacy of the N'Djamena government in African forums over the Libyan-backed dissidents led by former President Goukouni. Moreover, Kolingba continues to make his country's facilities available for France's extensive military operation in support of Habre, and has even offered symbolic nonmilitary assistance to N'Djamena in the form of as yet undelivered food aid.

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Despite Bangui's support for Habre, Kolingba has been careful not to take an openly anti-Qadhafi stance for fear of provoking even more Libyan subversion against his vulnerable regime. Indeed, Kolingba renewed diplomatic relations with Tripoli in September 1982 in hopes of jolting the French into providing additional budgetary assistance or extracting some much-needed funds from Libya. He allowed the Libyans to establish a military training camp outside Bangui to train a new CAR armored unit and to deliver a shipment of small arms for use by CAR troops. Relations with Tripoli soured last May, however, after Kolingba expelled some 80 Libyan military instructors following Qadhafi's failure to provide financial aid. The US Embassy reports that Bangui now closely monitors the some 20 Libyan diplomats still in the country. According to the US Embassy, Kolingba demoted his former Foreign Minister last May after he, [redacted] had allegedly secured Libyan funding to oust Kolingba in favor of a pro-Libyan regime. [redacted]

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Mounting French Frustration

French confidence in Kolingba's leadership has waned in the last two years, but the US Embassy in Bangui reports that Paris still sees no alternative pro-French leader on the horizon with sufficient domestic backing to pursue the politically-risky austerity program needed to get the country's external finances in order. France appreciates the regime's moderate foreign policy and acceptance of French military bases and some 1,300 French troops under joint defense and military assistance agreements. The CAR serves as an important military staging base should

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French support operations be required for moderate states in central Africa where Paris has significant commercial interests, particularly Cameroon and mineral-rich Zaire and Gabon. Moreover, Kolingba --with the considerable aid of his French security advisers-- has been able to defuse his opposition without resorting to heavy-handed tactics. [REDACTED]

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Nevertheless, US Embassy reporting indicates that France is increasingly frustrated with Kolingba's indecisive leadership and favors a return to civilian rule--although Paris does not see this as feasible anytime soon. French unhappiness is underscored by the CAR's status as one of the few francophone African countries that President Mitterrand has not yet visited. French dissatisfaction stems largely from the regime's mounting financial dependence on Paris, coupled with Kolingba's reluctance to improve the quality of his ministers. Paris, according to the French ambassador in Bangui, has conditioned continued French budgetary aid to the CAR on Kolingba's reaching a new agreement with the IMF and has hinted that emergency aid might be forthcoming to tide the CAR over from the signing of an IMF agreement until it becomes operative. [REDACTED]

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We believe Kolingba will find it difficult to ignore French demands for long. France is the CAR's largest aid donor and trading partner; in 1981 it accounted for more than 90 percent of bilateral aid receipts and 40 percent of foreign trade. Bilateral French assistance in 1982 totalled about \$63 million. This year, French budgetary support alone will probably exceed \$15 million, or two-thirds of the CAR's projected budget deficit of almost \$22 million. Alarmed by the regime's poor fiscal management, the US Embassy reports that France required Bangui officials to come to Paris almost on a monthly basis in 1982 to collect budget subsidies to meet civil service salaries. [REDACTED]

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French officials continued to work hard behind the scenes this year to secure favorable debt rescheduling terms from Bangui's official creditors as well as IMF flexibility on key requirements of the standby program. The US Embassy also reports that Paris has asked for US help to keep the Kolingba regime afloat. France wants the US to increase aid--now about \$1.6 million annually, including the Peace Corps--and to exert pressure on the IMF to reach an accommodation with Bangui. [REDACTED]

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Outlook

In our view, Kolingba will probably muddle through his financial and political woes over the next several months, but we believe his longer term prospects are not good. Kolingba is likely finally to undertake

enough political and economic reforms to ensure French backing and to get satisfactory negotiations underway with the IMF next January. Kolingba has little choice but to develop a serious austerity plan and to reshuffle his cabinet, replacing the most inept and corrupt military ministers with competent civilian technocrats. But Kolingba probably will not replace as many ministers as Paris has demanded for fear of aggravating tribal tensions and creating a new source of opposition among discharged ministers. [REDACTED]

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Even if, as we expect, Kolingba embarks on long overdue reform, we believe his regime will still be hardpressed over the longer run to resolve persistent political divisions and seemingly intractable economic troubles. Kolingba's weak leadership style and reliance on fellow tribesmen for advice is likely to continue to inspire discontent among rival ethnic groups. In our view, the regime's shallow base of popular support will make it difficult for Kolingba to follow through with draconian belt tightening programs, such as deep cuts in the civil service payroll, that could trigger serious unrest among the financially hardpressed Central Africans, especially in urban areas. [REDACTED]

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France appears to be willing to allow Kolingba some more time to face up to the inevitable while continuing financially to bail out the shaky regime rather than risk the emergence of a less friendly government. But we believe that if Kolingba does not soon begin to mend his ways, Paris could finally become convinced that the cost of propping up the inept regime is too high and engineer his replacement. Nevertheless, we believe that France would intervene directly to defend Kolingba against a Libyan backed coup. [REDACTED]

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We believe that Libya will try to exploit the fragility of the Kolingba government by continuing --and perhaps stepping up-- support for coup plotting among disgruntled members of the regime. Tripoli's occupation of northern Chad and ambitions to stir trouble for Habre in southern Chad and President Nimeri in southern Sudan will continue to fuel the southern-based CAR regime's fears of Libyan support for dissidence in northern CAR. If reforms in the CAR spur serious unrest, Libya would probably work to install a government that would be willing to ask Paris to withdraw French troops. [REDACTED]

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ANNEX

Central African Opposition Groups

<u>Group 1</u>	<u>Leader</u>	<u>Orientation</u>
Central African People's Liberation Movement (MLPC)	Ange Patasse (northern Kaba tribe), in exile in Ivory Coast after being implicated in a coup attempt in March 1982.	Largest group. Bases its influence on northern tribal resentment of southern rule. Leader uses socialist jargon, but is regarded as an opportunist. Calls for an early return to civilian rule and multiparty politics. Suspected of receiving Libyan financial support.
<u>Group 2</u>	<u>Leader</u>	<u>Orientation</u>
Central African National Liberation Movement (MCLN)	General Francois Bozize (northern Baya tribe), living in Congo, replaced Rudolf Idi Lala who was ousted for embezzlement last month. Bozize was also implicated in 1982 coup plot.	Small, radical group <div data-bbox="1040 1123 1437 1220" style="border: 1px solid black; height: 46px; width: 244px; margin: 5px 0;"></div> Claims responsibility for a 1981 terrorist bombing in Bangui.
<u>Group 3</u>	<u>Leader</u>	<u>Orientation</u>
Oubangui Patriotic Front-Labor Party (FPO-PT)	Abel Goumba (tribe unknown) released from prison last August--arrested in April 1983 for political agitation--and allowed to remain in the country after agreeing to refrain from political activity	Small party that espouses Marxist-Leninism. Suspected by government of receiving Soviet aid and some Libyan military training.

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Group 4LeaderOrientation

Independent Grouping for
Political Reflection and
Action (GIRA)

Francois Pehoua
(southern Yakoma tribe).
Former head of the Union
of Central African
Banks.

Personal vehicle of its
leader who finished third
in March 1981 presidential
election. A moderate,
with no defined political
a return to civilian rule.

Group 5LeaderOrientation

Movement for Democracy
and Independence (MDI)

Francois Gueret
(southern Yakoma tribe).
Named High Commissioner
of State in April 1983
and serves as a close
adviser to Kolingba.

Small and most moderate group.
Seeks a return to civilian
rule and draws support mainly
from civil servants and
educated residents of Bangui.

Group 6LeaderOrientation

Republican Party for
Progress (PRP)

Henri Maidou
(southern Banziri tribe).
Former Vice President
suspected by government
of collaborating in a
Libyan-backed coup
plot last year.

Small, moderate group favoring
a return to civilian rule.

SUBJECT: Central African Republic: On a Tightrope

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ALA/AF/W: [redacted] (5 Dec 1983)

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